

CITY OF WENATCHEE
Chelan County, Washington
January 1, 1992 Through December 31, 1992

Schedule Of Findings

1. The City's Budgeting Procedures Should Be In Compliance With State And Local Law

During the course of our audit, we noted that the city's budgeting procedures violated state and local law in several areas. The areas noted were:

- Expenditures in the Public Art and the Task Force Funds exceeded appropriations by \$25,348 and \$45,084, respectively, in 1992.
- The preliminary budget for 1993 was not prepared 60 days before the 1992 year end, as required.
- The city did not give the required public notice of the 1993 budget hearing.
- The public hearing for the 1993 budget was concluded 22 days after the latest date allowed per statute.
- The city did not include summaries of estimated revenues and appropriations in the body of the ordinances adopting the final budget and budget amendment for 1992 and the final budget for 1993, as required. The summaries were indicated as "Exhibit A" to all ordinances, however, the city was unable to provide us with the exhibit pertaining to the budget amendment.
- As of the date of this report, the final budget document for 1993 was not available for public inspection, as required by city ordinance.

Over-expending appropriations is contrary to the provisions of RCW 35A.33.125 which states in part:

... the city council or other authorized person shall approve no claim for an expenditure in excess of the total amount appropriated for any individual fund

The budget adoption procedures violated RCW 35A.33.052 which states in part:

The chief administrative officer shall prepare the preliminary budget in detail . . . at least sixty days before the beginning of the city's next fiscal year and he shall file it with the city clerk

RCW 35A.33.060 states:

Immediately following the filing of the preliminary budget with the clerk, the clerk shall publish a notice once each week for two consecutive weeks stating that . . . the legislative body of the city will meet on or before the first Monday of the month next preceding the beginning of the ensuing fiscal year for the purpose of fixing the final budget, designating the date, time and place of the legislative budget meeting and that any taxpayer may appear thereat and be heard for or against any part of the budget.

RCW 35A.33.070 states, in part, that the hearing date fixed by RCW 35A.33.060:

. . . may be continued from day to day but not later than the twenty-fifth day prior to commencement of the city's fiscal year.

The budget ordinances were not in conformance with RCW 35A.33.075 which states in part:

. . . Such ordinance may adopt the final budget by reference: *Provided*, That the ordinance adopting such budget shall set forth in summary form the totals of estimated revenues and appropriations for each separate fund and the aggregate totals for all such funds combined

The lack of a final budget document for 1993 is contrary to City Ordinance No. 2965, passed December 29, 1992, which states in part:

. . . The budget for the City of Wenatchee, Washington, for the year 1993 is hereby adopted at the fund level in its final form and content as set forth in the document entitled '1993 City Budget and 1991 - 1997 Capital Improvement Program', copies of which are on file in the Office of the Clerk

As of the date of this report, no such document was available.

These conditions occurred as a result of the city's failure to commit the necessary resources to the budget management process.

The city's failure to follow prescribed budget requirements limits citizen access to the budget process and weakens controls over public expenditures.

We recommend that the city limit its expenditures to authorized appropriations and that any required budget amendments be made prior to the expenditure of city funds.

We further recommend that:

- The city's budget be prepared within prescribed time limits.
- Budget hearings be scheduled and announced in accordance with applicable state statutes.
- Summary revenues and appropriations be included in the body of the budget ordinance.

- The city comply with its budget ordinance by making copies of the final budget document for 1993 available for public inspection.